



General Assembly

February Session, 2016

Raised Bill No. 103

LCO No. 1215



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

***AN ACT CONCERNING THE RESPONSIBILITIES OF THE
PROCUREMENT MANAGER OF THE PUBLIC UTILITIES
REGULATORY AUTHORITY AND MINOR REVISIONS TO ENERGY-
RELATED STATUTES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (g) of section 16-19 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2016*):

4 (g) The authority shall hold either a special public hearing or
5 combine an investigation with an ongoing four-year review conducted
6 in accordance with section 16-19a or with a general rate hearing
7 conducted in accordance with subsection (a) of this section on the need
8 for an interim rate decrease (1) when a public service company has, for
9 [six] the latest two consecutive [months] financial quarters, earned a
10 return on equity which exceeds the return authorized by the authority
11 by at least one percentage point, (2) if it finds that any change in
12 municipal, state or federal tax law creates a significant increase in a
13 company's rate of return, or (3) if it finds that a public service company

14 may be collecting rates which are more than just, reasonable and
15 adequate, as determined by the authority, provided the authority shall
16 require appropriate notice of hearing to the company and its customers
17 who would be affected by an interim rate decrease in such form as the
18 authority deems reasonable. The company shall be required to
19 demonstrate to the satisfaction of the authority that earning such a
20 return on equity or collecting rates which are more than just,
21 reasonable and adequate is directly beneficial to its customers. At the
22 completion of the proceeding, the authority may order an interim rate
23 decrease if it finds that such return on equity or rates exceeds a
24 reasonable rate of return or is more than just, reasonable and adequate
25 as determined by the authority. Any such interim rate decrease shall
26 be subject to a customer surcharge if the interim rates collected by the
27 company are less than the rates finally approved by the authority or
28 fixed at the conclusion of any appeal taken as a result of any finding by
29 the authority. Such surcharge shall be assessed against customers in
30 such amounts and by such procedure as ordered by the authority.

31 Sec. 2. Subsection (i) of section 16-262w of the general statutes is
32 repealed and the following is substituted in lieu thereof (*Effective July*
33 *1, 2016*):

34 (i) The amount of the WICA applied between general rate case
35 filings shall not exceed ten per cent of the water company's annual
36 retail water revenues approved in its most recent rate filing, and shall
37 not exceed five per cent of such revenues for any twelve-month period.
38 The amount of the adjustment shall be reset to zero as of the effective
39 date of new base rates approved pursuant to section 16-19, as amended
40 by this act, and shall be reset to zero if the company exceeds the
41 allowable rate of return by more than one hundred basis points for
42 [any calendar year] the latest two consecutive financial quarters.

43 Sec. 3. Subsection (g) of section 16-245 of the general statutes is
44 repealed and the following is substituted in lieu thereof (*Effective July*
45 *1, 2016*):

46 (g) As conditions of continued licensure, in addition to the
47 requirements of subsection (c) of this section: (1) The licensee shall
48 comply with the National Labor Relations Act and regulations, if
49 applicable; (2) the licensee shall comply with the Connecticut Unfair
50 Trade Practices Act and applicable regulations; (3) each generating
51 facility operated by or under long-term contract to the licensee shall
52 comply with chapter 277a, state environmental laws and regulations
53 adopted by the Commissioner of Energy and Environmental
54 Protection; [, pursuant to section 22a-174j;] (4) the licensee shall comply
55 with the renewable portfolio standards, established in or pursuant to
56 section 16-245a; (5) the licensee shall be a member of the New England
57 Power Pool or its successor or have a contractual relationship with one
58 or more entities who are members of the New England Power Pool or
59 its successor and the licensee shall comply with the rules of the
60 regional independent system operator and standards and any other
61 reliability guidelines of the regional independent systems operator; (6)
62 the licensee shall agree to cooperate with the authority and other
63 electric suppliers in the event of an emergency condition that may
64 jeopardize the safety and reliability of electric service; (7) the licensee
65 shall comply with the code of conduct established pursuant to section
66 16-244h; (8) for a license to a participating municipal electric utility, the
67 licensee shall provide open and nondiscriminatory access to its
68 distribution facilities to other licensed electric suppliers; (9) the licensee
69 or the entity or entities with whom the licensee has a contractual
70 relationship to purchase power shall be in compliance with all
71 applicable licensing requirements of the Federal Energy Regulatory
72 Commission; (10) [each generating facility operated by or under long-
73 term contract to the licensee shall be in compliance with chapter 277a
74 and state environmental laws and regulations; (11) the licensee shall
75 comply with the renewable portfolio standards established in section
76 16-245a; (12)] the licensee shall offer a time-of-use price option to
77 customers. Such option shall include a two-part price that is designed
78 to achieve an overall minimization of customer bills by encouraging
79 the reduction of consumption during the most energy intense hours of

80 the day. The licensee shall file its time-of-use rates with the Public
81 Utilities Regulatory Authority; [(13)] (11) the licensee shall
82 acknowledge that it is subject to chapters 208, 212, 212a and 219, as
83 applicable, and the licensee shall pay all taxes it is subject to in this
84 state; [(14)] (12) the licensee shall make available to the authority for
85 posting on the authority's Internet web site and shall list on the
86 licensee's own Internet web site, on a monthly basis, the highest and
87 lowest electric generation service rate charged by the licensee as part of
88 a variable rate offer in each of the preceding twelve months to any
89 customer with a peak demand of less than fifty kilowatts, cumulated of
90 all such customer's meters, during a twelve-month period; and [(15)]
91 (13) any contract between a licensee and a residential customer eligible
92 for standard service entered into on and after July 1, 2014, shall
93 provide for the same electric generation service rate that may not be
94 exceeded for at least the first three billing cycles of the contract,
95 provided the licensee may decrease such rate at any time. Also as a
96 condition of licensure, the authority shall prohibit each licensee from
97 declining to provide service to customers for the reason that the
98 customers are located in economically distressed areas. The authority
99 may establish additional reasonable conditions to assure that all retail
100 customers will continue to have access to electric generation services.

101 Sec. 4. Subdivision (5) of subsection (h) of section 16-245o of the
102 2016 supplement to the general statutes is repealed and the following
103 is substituted in lieu thereof (*Effective July 1, 2016*):

104 (5) Each electric supplier shall disclose to the Public Utilities
105 Regulatory Authority in a standardized format (A) the amount of
106 additional renewable energy credits, if any, such supplier will
107 purchase other than required credits, (B) where such additional credits
108 are being sourced from, and (C) the types of renewable energy sources
109 that will be purchased. Each electric supplier shall only advertise
110 renewable energy credits [purchased beyond those required pursuant
111 to sections 16-245a and 16-243q] in a manner approved by the
112 authority and shall report to the authority the renewable energy

113 sources of such credits and any changes to the types of renewable
114 energy sources offered.

115 Sec. 5. Subdivision (8) of subsection (h) of section 16-245o of the
116 2016 supplement to the general statutes is repealed and the following
117 is substituted in lieu thereof (*Effective July 1, 2016*):

118 (8) An electric supplier shall not make a material change in the
119 terms or duration of any contract for the provision of electric
120 generation services by an electric supplier without the express consent
121 of the customer. Nothing in this subdivision shall restrict an electric
122 supplier from renewing a contract by clearly informing the customer,
123 in writing, not less than thirty days or more than sixty days before the
124 renewal date, of the renewal terms, including a summary of any new
125 or altered terms, and of the option not to accept the renewal offer,
126 provided no fee pursuant to subdivision (7) of this subsection shall be
127 charged to a customer who terminates or cancels such renewal [not
128 later than seven business days after receiving] within the first two
129 billing [statement for] cycles of the renewed contract.

130 Sec. 6. Subsections (l) to (n), inclusive, of section 16-2 of the 2016
131 supplement to the general statutes is repealed and the following is
132 substituted in lieu thereof (*Effective July 1, 2016*):

133 [(l) The Public Utilities Regulatory Authority shall include a
134 procurement manager whose duties shall include, but not be limited
135 to, overseeing the procurement of electricity for standard service and
136 who shall have experience in energy markets and procuring energy on
137 a commercial scale.]

138 [(m)] (l) Notwithstanding any provision of the general statutes, the
139 decisions of the Public Utilities Regulatory Authority, including, but
140 not limited to, decisions relating to rate amendments arising from the
141 Comprehensive Energy Strategy, the Integrated Resources Plan, the
142 Conservation and Load Management Plan and policies established by
143 the Department of Energy and Environmental Protection, shall be

144 guided by said strategy and plans and such policies.

145 ~~[(n)]~~ (m) Two or more utility commissioners serving on a panel
146 established pursuant to subsection (c) of this section may confer or
147 communicate regarding the matter before such panel. Any such
148 conference or communication that does not occur before the public at a
149 hearing or proceeding shall not constitute a meeting as defined in
150 section 1-200.

151 Sec. 7. Section 16-244m of the general statutes is repealed and the
152 following is substituted in lieu thereof (*Effective July 1, 2016*):

153 (a) (1) The chairperson of the Public Utilities Regulatory Authority
154 or his or her designee shall, from time to time as needed, designate one
155 or more employees of the Public Utilities Regulatory Authority, who is
156 or are experienced in energy markets and the procurement of energy
157 on a commercial scale, to conduct procurements including, but not
158 limited to, overseeing the procurement of electricity for standard
159 service and suppliers of last resort service. On or before January 1,
160 ~~[2012]~~ 2017, and annually thereafter, ~~[the procurement manager of]~~ the
161 Public Utilities Regulatory Authority employee or employees
162 designated to conduct procurements, in consultation with each electric
163 distribution company, and others at the ~~[procurement manager's]~~
164 authority's discretion, including, but not limited to, the Commissioner
165 of Energy and Environmental Protection, a municipal energy
166 cooperative established pursuant to chapter 101a, other than entities,
167 individuals and companies or their affiliates potentially involved in
168 bidding on standard service, shall develop a plan for the procurement
169 of electric generation services and related wholesale electricity market
170 products that will enable each electric distribution company to manage
171 a portfolio of contracts to reduce the average cost of standard service
172 while maintaining standard service cost volatility within reasonable
173 levels. Each Procurement Plan shall provide for the competitive
174 solicitation for load-following electric service and may include a
175 provision for the use of other contracts, including, but not limited to,

176 contracts for generation or other electricity market products and
177 financial contracts, and may provide for the use of varying lengths of
178 contracts. If such plan includes the purchase of full requirements
179 contracts, it shall include an explanation of why such purchases are in
180 the best interests of standard service customers.

181 (2) All reasonable costs associated with the development of the
182 Procurement Plan by the authority shall be recoverable through the
183 assessment in section 16-49. All electric distribution companies'
184 reasonable costs associated with the development of the Procurement
185 Plan shall be recoverable through a reconciling bypassable component
186 of the electric rates as determined by the authority.

187 (b) The [procurement manager] Public Utilities Regulatory
188 Authority employee or employees designated to conduct
189 procurements, pursuant to subsection (a) of this section, shall, not less
190 than quarterly, prepare a written report on the implementation of the
191 Procurement Plan. If [the procurement manager finds] such employee
192 or employees find that an interim amendment to the annual plan
193 might substantially further the goals of reducing the cost or cost
194 volatility of standard service, [the procurement manager] such
195 employee or employees may petition the Public Utilities Regulatory
196 Authority for such an interim amendment. The Public Utilities
197 Regulatory Authority shall provide notice of the proposed amendment
198 to the Office of Consumer Counsel and the electric distribution
199 companies. The Office of Consumer Counsel and the electric
200 distribution companies shall have two business days from the date of
201 such notice to request an uncontested proceeding and a technical
202 meeting of the Public Utilities Regulatory Authority regarding the
203 proposed amendment, which proceeding and meeting shall occur if
204 requested. The Public Utilities Regulatory Authority may approve,
205 modify or deny the proposed amendment, with such approval,
206 modification or denial following the technical meeting if one is
207 requested. The Public Utilities Regulatory Authority's ruling shall
208 occur within three business days after the technical meeting, if one is

209 requested, or within three business days of the expiration of the time
210 for requesting a technical meeting if no technical meeting is requested.
211 The Public Utilities Regulatory Authority may maintain the
212 confidentiality of the technical meeting to the full extent allowed by
213 law.

214 (c) The costs of procurement for standard service shall be borne
215 solely by the standard service customers.

216 (d) (1) The Public Utilities Regulatory Authority shall conduct an
217 uncontested proceeding to approve, with any amendments it
218 determines necessary, the Procurement Plan submitted pursuant to
219 subsection (a) of this section.

220 (2) The Public Utilities Regulatory Authority shall report annually
221 in accordance with the provisions of section 11-4a to the joint standing
222 committee of the General Assembly having cognizance of matters
223 relating to energy regarding the Procurement Plan and its
224 implementation. Any such report may be submitted electronically.

225 Sec. 8. Subsection (a) of section 16-244c of the general statutes is
226 repealed and the following is substituted in lieu thereof (*Effective July*
227 *1, 2016*):

228 (a) (1) On and after January 1, 2007, each electric distribution
229 company shall provide electric generation services through standard
230 service to any customer who (A) does not arrange for or is not
231 receiving electric generation services from an electric supplier, and (B)
232 does not use a demand meter or has a maximum demand of less than
233 five hundred kilowatts.

234 (2) Not later than October 1, 2006, and periodically as required by
235 subdivision (3) of this subsection, but not more often than every
236 calendar quarter, the Public Utilities Regulatory Authority shall
237 establish the standard service price for such customers pursuant to
238 subdivision (3) of this subsection. Each electric distribution company

239 shall recover the actual net costs of procuring and providing electric
240 generation services pursuant to this subsection, provided such
241 company mitigates the costs it incurs for the procurement of electric
242 generation services for customers who are no longer receiving service
243 pursuant to this subsection.

244 (3) An electric distribution company providing electric generation
245 services pursuant to this subsection shall cooperate with the
246 [procurement manager of the] Public Utilities Regulatory Authority
247 employee or employees designated to conduct procurements pursuant
248 to subsection (a) of section 16-244m, as amended by this act, and
249 comply with the procurement plan for electric generation services
250 contracts. Such plan shall require that the portfolio of service contracts
251 be procured in such manner and duration as the authority determines
252 to be most likely to produce just, reasonable and reasonably stable
253 retail rates while reflecting underlying wholesale market prices over
254 time. The portfolio of contracts shall be assembled in such manner as
255 to invite competition; guard against favoritism, improvidence,
256 extravagance, fraud and corruption; and secure a reliable electricity
257 supply while avoiding unusual, anomalous or excessive pricing. An
258 affiliate of an electric distribution company may bid for an electric
259 generation services contract, provided such electric distribution
260 company and affiliate are in compliance with the code of conduct
261 established in section 16-244h.

262 (4) The [procurement manager of the] Public Utilities Regulatory
263 Authority employee or employees designated to conduct
264 procurements pursuant to subsection (a) of section 16-244m, as
265 amended by this act, may retain the services of entities as it sees fit to
266 assist with the procurement of electric generation services for standard
267 service. Costs associated with the retention of such third-party entity
268 shall be included in the cost of standard service.

269 (5) For standard service contracts procured prior to the authority's
270 approval of the Procurement Plan, each bidder for a standard service

271 contract shall submit its bid to the electric distribution company and
272 the third-party entity who shall jointly review the bids and submit an
273 overview of all bids together with a joint recommendation to the
274 authority as to the preferred bidders. The authority may, within ten
275 business days of submission of the overview, reject the
276 recommendation regarding preferred bidders. In the event that the
277 authority rejects the preferred bids, the electric distribution company
278 and the third-party entity shall rebid the service pursuant to this
279 subdivision. The authority shall review each bid in an uncontested
280 proceeding that shall include a public hearing and in which any
281 interested person, including, but not limited to, the Consumer
282 Counsel, the Commissioner of Energy and Environmental Protection
283 or the Attorney General, may participate.

284 Sec. 9. Section 16a-3f of the general statutes is repealed and the
285 following is substituted in lieu thereof (*Effective July 1, 2016*):

286 On or after January 1, 2013, the Commissioner of Energy and
287 Environmental Protection, in consultation with the [procurement
288 manager identified in subsection (l) of section 16-2] Public Utilities
289 Regulatory Authority employee or employees designated to conduct
290 procurements pursuant to subsection (a) of section 16-244m, as
291 amended by this act, the Office of Consumer Counsel and the Attorney
292 General, shall, in coordination with other states in the region of the
293 regional independent system operator, as defined in section 16-1, or on
294 the commissioner's own, solicit proposals, in one solicitation or
295 multiple solicitations, from providers of Class I renewable energy
296 sources, as defined in section 16-1, constructed on or after January 1,
297 2013. If the commissioner finds such proposals to be in the interest of
298 ratepayers including, but not limited to, the delivered price of such
299 sources, and consistent with the requirements to reduce greenhouse
300 gas emissions in accordance with section 22a-200a, and in accordance
301 with the policy goals outlined in the Comprehensive Energy Strategy,
302 adopted pursuant to section 16a-3d, the commissioner may select
303 proposals from such resources to meet up to four per cent of the load

304 distributed by the state's electric distribution companies. The
 305 commissioner may direct the electric distribution companies to enter
 306 into power purchase agreements for energy, capacity and
 307 environmental attributes, or any combination thereof, for periods of
 308 not more than twenty years. Certificates issued by the New England
 309 Power Pool Generation Information System for any Class I renewable
 310 energy sources procured under this section shall be sold in the New
 311 England Power Pool Generation Information System renewable energy
 312 credit market to be used by any electric supplier or electric distribution
 313 company to meet the requirements of section 16-245a. Any such
 314 agreement shall be subject to review and approval by the Public
 315 Utilities Regulatory Authority, which review shall commence upon the
 316 filing of the signed power purchase agreement with the authority. The
 317 authority shall issue a decision on such agreement not later than thirty
 318 days after such filing. In the event the authority does not issue a
 319 decision within thirty days after such agreement is filed with the
 320 authority, the agreement shall be deemed approved. The net costs of
 321 any such agreement, including costs incurred by the electric
 322 distribution companies under the agreement and reasonable costs
 323 incurred by the electric distribution companies in connection with the
 324 agreement, shall be recovered through a fully reconciling component
 325 of electric rates for all customers of electric distribution companies.

326 Sec. 10. Section 16a-3g of the general statutes is repealed and the
 327 following is substituted in lieu thereof (*Effective July 1, 2016*):

328 On or after July 1, 2013, the Commissioner of Energy and
 329 Environmental Protection, in consultation with the [procurement
 330 manager identified in subsection (l) of section 16-2] Public Utilities
 331 Regulatory Authority employee or employees designated to conduct
 332 procurements pursuant to subsection (a) of section 16-244m, as
 333 amended by this act, the Office of Consumer Counsel and the Attorney
 334 General, may, in coordination with other states in the region of the
 335 regional independent system operator, as defined in section 16-1, or on
 336 the commissioner's own, solicit proposals, in one solicitation or

337 multiple solicitations, from providers of Class I renewable energy
338 sources, as defined in section 16-1, or verifiable large-scale
339 hydropower, as defined in section 16-1. If the commissioner finds such
340 proposals to be in the interest of ratepayers, including, but not limited
341 to, the delivered price of such sources, and consistent with the
342 requirements to reduce greenhouse gas emissions in accordance with
343 section 22a-200a, and in accordance with the policy goals outlined in
344 the Comprehensive Energy Strategy, adopted pursuant to section 16a-
345 3d, and section 129 of public act 11-80, including, but not limited to,
346 base load capacity, peak load shaving and promotion of wind, solar
347 and other renewable and low carbon energy technologies, the
348 commissioner may select proposals from such resources to meet up to
349 five per cent of the load distributed by the state's electric distribution
350 companies. The commissioner may on behalf of all customers of
351 electric distribution companies, direct the electric distribution
352 companies to enter into power purchase agreements for energy,
353 capacity and any environmental attributes, or any combination thereof,
354 for periods of not more than (1) fifteen years, if any such agreement is
355 with a provider of verifiable large-scale hydropower, or (2) twenty
356 years, if any such agreement is with a provider of a Class I renewable
357 energy source. Certificates issued by the New England Power Pool
358 Generation Information System for any Class I renewable energy
359 sources procured under this section shall be sold in the New England
360 Power Pool Generation Information System renewable energy credit
361 market to be used by any electric supplier or electric distribution
362 company to meet the requirements of section 16-245a. Any such
363 agreement shall be subject to review and approval by the Public
364 Utilities Regulatory Authority, which review shall (A) include a public
365 hearing, and (B) be completed not later than sixty days after the date
366 on which such agreement is filed with the authority. The net costs of
367 any such agreement, including costs incurred by the electric
368 distribution companies under the agreement and reasonable costs
369 incurred by the electric distribution companies in connection with the
370 agreement, shall be recovered through a fully reconciling component

371 of electric rates for all customers of electric distribution companies.

372 Sec. 11. Section 16a-3h of the general statutes is repealed and the
373 following is substituted in lieu thereof (*Effective July 1, 2016*):

374 On or after October 1, 2013, the Commissioner of Energy and
375 Environmental Protection, in consultation with the [procurement
376 manager identified in subsection (l) of section 16-2] Public Utilities
377 Regulatory Authority employee or employees designated to conduct
378 procurements pursuant to subsection (a) of section 16-244m, as
379 amended by this act, the Office of Consumer Counsel and the Attorney
380 General, may solicit proposals, in one solicitation or multiple
381 solicitations, from providers of run-of-the-river hydropower, landfill
382 methane gas or biomass, provided such source meets the definition of
383 a Class I renewable energy source pursuant to section 16-1. In making
384 any selection of such proposals, the commissioner shall consider
385 factors, including, but not limited to (1) whether the proposal is in the
386 interest of ratepayers, including, but not limited to, the delivered price
387 of such sources, (2) the emissions profile of a relevant facility, (3) any
388 investments made by a relevant facility to improve the emissions
389 profile of such facility, (4) the length of time a relevant facility has
390 received renewable energy credits, (5) any positive impacts on the
391 state's economic development, (6) whether the proposal is consistent
392 with requirements to reduce greenhouse gas emissions in accordance
393 with section 22a-200a, and (7) whether the proposal is consistent with
394 the policy goals outlined in the Comprehensive Energy Strategy
395 adopted pursuant to section 16a-3d. The commissioner may select
396 proposals from such resources to meet up to four per cent of the load
397 distributed by the state's electric distribution companies. The
398 commissioner may direct the electric distribution companies to enter
399 into power purchase agreements for energy, capacity and
400 environmental attributes, or any combination thereof, for periods of
401 not more than ten years on behalf of all customers of the state's electric
402 distribution companies. Certificates issued by the New England Power
403 Pool Generation Information System for any Class I renewable energy

404 sources procured under this section shall be sold in the New England
405 Power Pool Generation Information System renewable energy credit
406 market to be used by any electric supplier or electric distribution
407 company to meet the requirements of section 16-245a. Any such
408 agreement shall be subject to review and approval by the Public
409 Utilities Regulatory Authority, which review shall be completed not
410 later than sixty days after the date on which such agreement is filed
411 with the authority. The net costs of any such agreement, including
412 costs incurred by the electric distribution companies under the
413 agreement and reasonable costs incurred by the electric distribution
414 companies in connection with the agreement, shall be recovered
415 through a fully reconciling component of electric rates for all
416 customers of electric distribution companies.

417 Sec. 12. Subsection (d) of section 16a-3i of the general statutes is
418 repealed and the following is substituted in lieu thereof (*Effective July*
419 *1, 2016*):

420 (d) In the event there is such a presumption pursuant to subsection
421 (a) of this section and the commissioner finds a material shortage of
422 Class I renewable energy sources pursuant to subsection (b) of this
423 section, and in addition to determining the adequacy pursuant to
424 subsection (c) of this section, the commissioner shall, in consultation
425 with the [procurement manager identified in subsection (l) of section
426 16-2] Public Utilities Regulatory Authority employee or employees
427 designated to conduct procurements pursuant to subsection (a) of
428 section 16-244m, as amended by this act, the Office of Consumer
429 Counsel and the Attorney General, solicit proposals from providers of
430 Class I renewable energy sources, as defined in section 16-1,
431 operational as of the date that such solicitation is issued. If the
432 commissioner, in consultation with [the procurement manager
433 identified in subsection (l) of section 16-2] such employee or employees
434 designated to conduct procurements, finds such proposals to be in the
435 interest of ratepayers including, but not limited to, the delivered price
436 of such sources, and consistent with the requirements to reduce

437 greenhouse gas emissions in accordance with section 22a-200a, and in
438 accordance with the policy goals outlined in the Comprehensive
439 Energy Strategy, adopted pursuant to section 16a-3d, the
440 commissioner, in consultation with [the procurement manager
441 identified in subsection (l) of section 16-2] such employee or
442 employees, may select proposals from such sources to meet up to the
443 amount necessary to ensure an adequate incremental supply of Class I
444 renewable energy sources to rectify any projected shortage of Class I
445 renewable energy supply identified pursuant to subsection (c) of this
446 section. The commissioner shall direct the electric distribution
447 companies to enter into power purchase agreements for energy,
448 capacity and environmental attributes, or any combination thereof,
449 from such selected proposals for periods of not more than ten years.
450 Certificates issued by the New England Power Pool Generation
451 Information System for any Class I renewable energy sources procured
452 under this section shall be sold in the New England Power Pool
453 Generation Information System renewable energy credit market to be
454 used by any electric supplier or electric distribution company to meet
455 the requirements of section 16-245a. Any such agreement shall be
456 subject to review and approval by the Public Utilities Regulatory
457 Authority, which review shall commence upon the filing of the signed
458 power purchase agreement with the authority. The authority shall
459 issue a decision on such agreement not later than thirty days after such
460 filing. In the event the authority does not issue a decision within thirty
461 days after such agreement is filed with the authority, the agreement
462 shall be deemed approved. The net costs of any such agreement,
463 including costs incurred by the electric distribution companies under
464 the agreement and reasonable costs incurred by the electric
465 distribution companies in connection with the agreement, shall be
466 recovered through a fully reconciling component of electric rates for all
467 customers of electric distribution companies.

468 Sec. 13. Subsection (a) of section 16a-3j of the 2016 supplement to the
469 general statutes is repealed and the following is substituted in lieu

470 thereof (*Effective July 1, 2016*):

471 (a) In order to secure cost-effective resources to provide more
 472 reliable electric service for the benefit of the state's electric ratepayers
 473 and to meet the state's energy and environmental goals and policies
 474 established in the Integrated Resources Plan, pursuant to section 16a-
 475 3a, and the Comprehensive Energy Strategy, pursuant to section 16a-
 476 3d, the Commissioner of Energy and Environmental Protection, in
 477 consultation with the [procurement manager identified in subsection
 478 (l) of section 16-2] Public Utilities Regulatory Authority employee or
 479 employees designated to conduct procurements pursuant to
 480 subsection (a) of section 16-244m, as amended by this act, the Office of
 481 Consumer Counsel and the Attorney General, may, in coordination
 482 with other states in the control area of the regional independent system
 483 operator, as defined in section 16-1, or on behalf of Connecticut alone,
 484 issue multiple solicitations for long-term contracts from providers of
 485 resources described in subsections (b), (c) and (d) of this section.

486 Sec. 14. Subsection (e) of section 16a-3j of the 2016 supplement to the
 487 general statutes is repealed and the following is substituted in lieu
 488 thereof (*Effective July 1, 2016*):

489 (e) The Commissioner of Energy and Environmental Protection, in
 490 consultation with the [procurement manager identified in subsection
 491 (l) of section 16-2] Public Utilities Regulatory Authority employee or
 492 employees designated to conduct procurements pursuant to
 493 subsection (a) of section 16-244m, as amended by this act, the Office of
 494 Consumer Counsel and the Attorney General, shall evaluate project
 495 proposals received under any solicitation issued pursuant to
 496 subsection (b), (c) or (d) of this section, based on factors including, but
 497 not limited to, (1) improvements to the reliability of the electric system,
 498 including during winter peak demand; (2) whether the benefits of the
 499 proposal outweigh the costs to ratepayers; (3) fuel diversity; (4) the
 500 extent to which the proposal contributes to meeting the requirements
 501 to reduce greenhouse gas emissions and improve air quality in

502 accordance with sections 16-245a, 22a-174, and 22a-200a; (5) whether
 503 the proposal is in the best interest of ratepayers; and (6) whether the
 504 proposal is aligned with the policy goals outlined in the Integrated
 505 Resources Plan, pursuant to section 16a-3a, and the Comprehensive
 506 Energy Strategy, pursuant to section 16a-3d, including, but not limited
 507 to, environmental impacts. In conducting such evaluation, the
 508 commissioner may also consider the extent to which project proposals
 509 provide economic benefits for the state. In evaluating project proposals
 510 received under any solicitation issued pursuant to subsection (b), (c) or
 511 (d) of this section, the commissioner shall compare the costs and
 512 benefits of such proposals relative to the expected or actual costs and
 513 benefits of other resources eligible to respond to the other
 514 procurements authorized pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016</i>	16-19(g)
Sec. 2	<i>July 1, 2016</i>	16-262w(i)
Sec. 3	<i>July 1, 2016</i>	16-245(g)
Sec. 4	<i>July 1, 2016</i>	16-245o(h)(5)
Sec. 5	<i>July 1, 2016</i>	16-245o(h)(8)
Sec. 6	<i>July 1, 2016</i>	16-2(l) to (n)
Sec. 7	<i>July 1, 2016</i>	16-244m
Sec. 8	<i>July 1, 2016</i>	16-244c(a)
Sec. 9	<i>July 1, 2016</i>	16a-3f
Sec. 10	<i>July 1, 2016</i>	16a-3g
Sec. 11	<i>July 1, 2016</i>	16a-3h
Sec. 12	<i>July 1, 2016</i>	16a-3i(d)
Sec. 13	<i>July 1, 2016</i>	16a-3j(a)
Sec. 14	<i>July 1, 2016</i>	16a-3j(e)

Statement of Purpose:

To transfer the responsibilities of the PURA procurement manager to other employees of the agency and make other minor revisions to energy-related statutes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]